LMD
CAPITAL PARTNERS

FANNIE MAE

Fannie Mae Structured Adjustable-Rate Mortgage Loan

Non-recourse variable-rate financing for the acquisition or refinance of multifamily properties, convertible to a fixed rate during the term. Available on loans of $25 million and above.

Indicative Terms

LOAN AMOUNT	Eligible for loans of $25,000,000 or more.
TERM	5, 7 or 10 years.
AMORTIZATION	Up to 30 years.
MAXIMUM LTV	65% for conventional properties; 70% for Multifamily Affordable Housing properties.
MINIMUM DSCR	1.05x, calculated at a maximum note rate. Proceeds may not exceed those available under an equivalent fixed-rate mortgage.
INDEX	30-Day Average SOFR.
INTEREST RATE	Adjusts monthly with the index; equal to the index plus the margin. There is no limit on the size of a rate change.
MAXIMUM NOTE RATE	The sum of the investor spread, guaranty fee and servicing fee (together, the margin) plus the minimum cap strike rate set by Fannie Mae.
INTEREST RATE CAP	Purchased by the borrower from an approved provider, with an initial term of at least five years. Where the loan term runs past the cap term, the borrower funds a cash reserve at closing equal to at least 110% of the current replacement cost of the cap. Replacement cap escrows may not exceed three years; 7- and 10-year loans follow a 3-3-1 or 3-3-3-1 cap schedule.
PREPAYMENT OPTIONS	Lockout, typically through the first loan year, then voluntary prepayment. The lender elects either a declining prepayment premium or a 1% premium. No premium is due during the final three months of the term.
CONVERSION TO FIXED RATE	Convertible to a 7- or 10-year fixed-rate loan on any rate change date after the lockout period (typically the first loan year) and before the open period begins, generally the last day of the fourth month preceding maturity. No prepayment penalty applies on conversion. Re-underwriting is minimal, but current net cash flow must support the new fixed-rate terms.

Indicative Terms (continued)

THIRD PARTY REPORTS	Appraisal, zoning report, Phase I environmental site assessment and property condition assessment.
ASSUMABILITY	Typically assumable, subject to review and approval of the new borrower's financial capacity and experience.
APPLICATION FEE	Quoted per transaction.
ORIGINATION FEE	Quoted per transaction.
LEGAL FEES	Quoted per transaction.

Eligible Properties & Sponsors

Multifamily properties nationwide on loans of $25,000,000 or more, including conventional and Multifamily Affordable Housing assets. Sponsors are expected to demonstrate relevant ownership experience and the financial capacity to carry an interest rate cap and its replacement reserve.